



## **PROPERTY CONDITION REPORT**

**101 Ash Street  
San Diego, California**

AEC Project No. 16-040SD  
March 10, 2016

*Prepared for:*

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Table A—Immediate Repairs Cost Estimate

Table B—Reserve Schedule

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## SALIENT PROJECT SUMMARY

<b>Property Name:</b>	101 Ash Street
<b>Street Addresses:</b>	101 Ash Street
<b>City, State Zip:</b>	San Diego, California 92101
<b>Primary Use:</b>	Office
<b>Year Built &amp; Age:</b>	1967 (49 years old)
<b>Reported Occupancy:</b>	Approximately 5%
<b>Number of Buildings:</b>	1 Building
<b>Number of Stories:</b>	21-stories
<b>Net Rentable Area (NRA):</b>	447,732 square feet (includes parking area)
<b>Site Area:</b>	1.19 acres
<b>No. of Tenant Spaces:</b>	Not applicable; non-occupied floors have not been demised.
<b>No. of On-Site Parking Spaces:</b>	240 (most of the spaces are tandem)
<b>No. of On-Site Handicap Parking Spaces:</b>	None provided.
<b>Parking Garage/Carports:</b>	A two-level below-the-building parking structure
<b>Superstructure:</b>	Steel-framed
<b>Cellar/Basement/Crawlspace:</b>	No
<b>Exterior Façade(s):</b>	Combination of plaster and travertine tile
<b>Roof:</b>	Hot mop with rock ballast
<b>Heating:</b>	A central chiller with a cooling tower and air handlers.
<b>Air-conditioning:</b>	A central chiller with a cooling tower and air handlers.
<b>Electrical Wiring:</b>	Copper
<b>Number of Elevators:</b>	8 traction elevators
<b>Fire Sprinkler:</b>	Yes

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## 1.0 EXECUTIVE SUMMARY

### 1.1 General Description

The property is located at 101 Ash Street in downtown San Diego (Site) on two parcels of land on the south side of Ash Street between 1<sup>st</sup> Avenue and 2<sup>nd</sup> Avenue and encompasses the entire block approximately four city blocks south of U.S. Interstate 5. The Site is a reported 1.19-acres in size and is developed with one, 21-story steel-framed building. According to information received from the San Diego Assessor's office, the building was constructed in 1967. The building and the parking structure have a gross area of approximately 447,732 square feet. In addition, the building is improved with a steel and concrete parking structure located below the building with entrances and exits located on the west and east sides on 1<sup>st</sup> and 2<sup>nd</sup> Avenue. The building is supported by a poured-in-place concrete slab construction over a prepared base at the bottom parking level with concrete piers supporting each of the interior columns and along the exterior walls. It is not known if the piers are tied together with concrete grade beams. The first two floors of the building are steel and concrete with steel framing used from the third floor to the roof. Intermediate floors and ceilings are concrete with steel and concrete columns supporting each additional floor.

The roof is flat and topped with hot-mop and rock ballast. Some of the HVAC equipment is located on the roof; the remaining is located one floor below in a mechanical room. Pedestrians enter the building from raised concrete entry patios entered through revolving or swinging doors. A commercial quality restaurant is located on the first floor and is currently vacant. The restaurant is equipped with a full service kitchen, dining room and outside eating areas on concrete surfaces adjacent to the kitchen. Service doors are steel in steel frames. Windows are single-glazed, fixed in anodized aluminum frames. The building's exterior is a combination of concrete and travertine tile.

Access to the patios is from concrete steps that are connected to the public sidewalks which surround the building on all sides. The first entry floor is used as a grand lobby. Eight traction elevators are available, seven are used for passengers, the remaining used for freight.

A large percentage of the building is vacant with only one floor and a small portion of another occupied. The remaining floors have not been demised pending the future occupancy by prospective tenants. The Site appears to be in good condition with evidence of proactive maintenance observed.

Vehicle entrances to the Site are provided by two curb cuts; one on the east off 1<sup>st</sup> Avenue, the other on the west off 2<sup>nd</sup> Avenue. Parking is provided for a reported 240 vehicles on striped, concrete spaces below the building. Many of the spaces are tandem. There are seven ADA designated spaces. A loading dock is located in the parking area and is designed to accommodate raised bed loading and unloading. The building's footprint occupies virtually the entire city block with landscaping consisting of raised concrete planters and pots located on the patios.

Heating and cooling is provided by a central plant that consists of roof-mounted, chillers and cooling towers with air handlers. An electric water heater with a recirculating pump provides domestic hot water to the entire building. Building management is responsible for the maintenance and replacement of the heating and cooling system and the water heater. Fire sprinklers protect the entire building and fire extinguishers are located throughout.

San Diego Gas and Electric supplies electricity to the Site. Electrical service to all Sites is 120/208 V, 3-phase, 4-wire and 477/280 with a maximum continuous current rating of 500 amperes provided at each of the electric cabinets. All electrical wire was observed to be copper. San Diego Gas and Electric provides natural gas. The City of San Diego provides water and sewer services. Republic Services provides trash removal.

## 1.2 General Physical Condition

The Site was observed to be in good condition. Evidence of on-going maintenance was observed. AEC identified the following significant deficiencies that require immediate repairs:

- The building exterior, while in good condition, has begun to show signs of wear as exhibited by run streaks at the lower level of the building. The building should be cleaned, caulked and pressure washed, and periodically throughout the term to maintain its appearance. Funding for cleaning of the lower levels has been allocated in the immediate needs table.

The Site contact did not provide budgets for future or planned improvements pending the arrival of future tenants. The structural elements of the buildings have performed adequately for the past 49 years. Assuming the recommendations in this report in reference to the Immediate and Physical Needs over the Term are made in an appropriate time frame; a preventive/remedial maintenance program is implemented continually; and all Site systems and building components are replaced as necessary with an acceptable standard of care, this Site's estimated remaining useful life (ERUL) should be at least an additional 40 years barring any natural disasters. This is based on the observation that the foundations, which have an expected useful life of 50 years plus, were observed to be functioning properly with no major deficiencies. Other Site and building elements are replaceable. However, as the Site ages the maintenance program cost should be expected to increase.

## 1.3 Deferred Routine Maintenance

This report does not identify minor, inexpensive repairs or maintenance items, which are clearly part of the property owner's current operating budget so long as these items appear to be taken care of on a regular basis. AEC did not identify any obvious items of deferred routine maintenance that warrant mention.

## 1.4 Opinions of Probable Costs

The following is a summary of Probable Costs. Refer to Table A "Immediate Repair Cost Estimate" and Table B "Reserve Table":

- **Immediate Repair/Replacement and Deferred Maintenance Expenditures**

**Cost Estimate: \$10,000**

- **Capital Replacement Reserves Expenditures- Long term\* costs (un-inflated):**

**\$314,380 or \$0.06 per square foot per year**

- **Capital Replacement Reserves Expenditures- Long term\* costs (inflated\*\*):**

**\$379,106 or \$0.07 per square foot per year**

*\* Loan term calculated at 10 years plus a two year reserve for a total of 12 years.*

*\*\* Inflation calculated at 2.5%*

## 1.5 Code Compliance

According to representatives of the City of San Diego Planning and Fire Departments, there are no records of outstanding building or fire code violations for the Site. The Site is zoned CCPD-CORE (Centre City Planned District) and is designated for commercial use. A copy of the zoning map is provided in the appendices of this report.

ITEM	CONTACT NAME & TELEPHONE	COMMENTS
City of San Diego Planning Department	Ms. Karen Bucey Associate Planner: 619-533-6404	According to Ms. Bucey, the Property is zoned CCPD-CORE (Commercial)
City of San Diego Fire Prevention Bureau	Ms. Leona DePaepe Administration Fire Marshal's Office: 619-533-4300	The City of San Diego does not have an annual inspection program. They only inspect new construction and other work where a building permit is required or when a third party complaint is received. No violations on file.

### 1.6 ADA Opinion

This facility was constructed in 1967 which is prior to the implementation of the Americans with Disabilities Act (ADA). During the Site visit, AEC noted that the Site is substantially ADA compliant. Our survey of the Site did not constitute an ADA audit. However, future renovations, fit-outs, or alterations of the Site may require additional proportional compliance with ADA requirements. This determination should be made by the local governing authority when permit acquisition for renovations is made.

### 1.7 Flood Zone

A review of the Flood Insurance Rate Maps, published by the Federal Emergency Management Agency, was performed. According to FEMA Map Panel 06073C 1885G, dated May 16, 2012, the Site is located in Flood Zone X which corresponds to areas determined to be outside the 0.2% annual chance floodplain.

### 1.8 Seismic Zone

According to the 1997 Uniform Building Code, the Site is located in a Seismic Zone 4, defined as an area with a high probability of damaging ground motion.

### 1.9 Site Visit Information

Site Visit Information	
Date of Site Observation	February 8, 2016
Weather Conditions	73° F and clear/sunny
AEC Professional Associates	George Pallo
AEC Reviewers	Dan Weis
Site Contact Name and Telephone Number	Mr. Rick Polischuk: 619-417-6122

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## 2.0 PURPOSE AND SCOPE

### 2.1 Introduction

Per the request of Cisterra Development, AEC conducted this Property Condition Assessment for the Site located 101 Ash Street, San Diego, California (Site). This assignment was conducted in accordance with ASTM E 2018-08 and Cisterra Development's Scope of Services.

### 2.2 Purpose

The purpose of the Property Condition Assessment is to evaluate the general condition of the buildings, Site, and other improvements at the referenced location. The report will identify those areas that will require remedial repair work and will assign them an associated estimated remedial cost.

### 2.3 Authorization/ Reliance

This assessment was performed at the request of Cisterra Development utilizing methods and procedures consistent with good commercial or customary practices designed to conform to acceptable industry standards. This report may be distributed to and relied upon by Cisterra Development, its successors and assigns, affiliates and subsidiaries, and together with any rating agency or any issuer or purchaser of any security collateralized or otherwise backed up by a loan upon the project. The independent conclusions represent Advantage Environmental Consultants, LLC's best professional judgment based on the conditions that existed and the information and data available to us during the course of this assignment. Factual information regarding operations, conditions, and test data provided to Cisterra Development, owner, or their representative has been assumed to be correct and complete.

### 2.4 Scope

This report is based on a Site visit, in which AEC performed a visual, non-intrusive and non-destructive evaluation of various external and internal building components. These systems included the roof, foundations, structural frame, building envelope, HVAC, electrical, and plumbing. The inspection also includes ancillary items such as; Site drainage, pavement, sidewalks and landscaping. The Property Condition Report is not a building code, safety, regulatory or environmental compliance inspection.

AEC observed the interior spaces to determine their general character and condition. During the Site visit we interviewed the available Site personnel and/or property managers to add or confirm information. We reviewed available drawings or Site documentation to confirm the general character of the construction.

Photographs were taken to provide a record of general conditions of the facility, as well as the specific deficiencies observed.

This report is based on the evaluator's judgment of the physical condition of the components, their ages and their expected useful life (EUL). It is understood that the conclusions presented are based upon the evaluator's professional judgment. The actual performance of individual components may vary from a reasonably expected standard and will be affected by circumstances that occur after the date of the evaluation.

The report does not identify minor, inexpensive repairs or maintenance items which are clearly part of the property owner's current operating budget so long as these items appear to be taken care of on a regular basis. The report does address infrequently occurring "big ticket" maintenance items, such as exterior painting, deferred maintenance and repairs and replacements that normally involve significant expense or outside contracting.

The following terms are used throughout the report and may be defined as follows:

- Excellent:** New or like new  
**Good:** Satisfactory as is  
**Fair:** Satisfactory as is in general; however, may require short term and/or immediate attention  
**Poor:** Requires immediate repair, replacement or significant maintenance.

## 2.5 Cost Estimation

Based upon observations during our Site visit and information received from our interviews with building management and service personnel, which for the purpose of this report was deemed reliable, AEC prepared general-scope, preliminary cost estimates complete with an appropriate remedy for the deficiency noted. Such remedies and their associated costs were considered commensurate with the Site's position in the market and prudent expenditures. These estimates are for components of systems exhibiting significant deferred maintenance, and existing deficiencies requiring major repairs or replacement. Repairs or improvements that could be classified as (i) cosmetic, (ii) decorative, (iii) part or parcel of a buildings renovation program or to reposition the asset in the marketplace, (iv) routine or normal preventative maintenance, or (v) that are the responsibility of the tenants were not included.

Worthy of note, it is the intent of this report to reflect material physical deficiencies and the corresponding opinion of probable costs (i) be commensurate with the complexity of the Site; (ii) not to minor or insignificant; and (iii) serve the purpose of our client in accordance with their risk tolerances. Opinion of probable costs that are either individually or in the aggregate less than a threshold amount of \$3,000 for like items are to be omitted from our review. If there are more than four separate items that are below this threshold amount, but collectively total over \$10,000, such items will be included. Threshold amounts were adopted from ASTM "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process" (ASTM E 2018-99).

Replacement and Repair Cost estimates are based on approximate quantities. Information furnished by Site personnel or the property management, if presented, is assumed by AEC to be reliable. A detailed inventory of quantities for cost estimating is not a part of the scope of this Report.

AEC's cost estimates were allocated to the following categories:

### Immediate:

Expenditures that require immediate action as a result of (i) existing or potentially material unsafe conditions, (ii) material adverse physical deficiencies impacting existing tenancy, (iii) material building code violations, (iv) poor or deteriorated condition of a critical element or system, (v) a condition that if left "as-is", with an extensive delay in element or system failure within one (1) year or a significant escalation in its remedial cost.

(a) Deferred maintenance or deficiencies that fall into the category of chronic maintenance/replacement problem. (b) Physical deficiencies that may not warrant immediate attention but require repairs or replacement that should be undertaken on a priority basis over routine preventative maintenance work. (c) Components or systems that have realized their typical useful expected life and where continued performance should not be relied upon or anticipated.

### Replacement Reserves:

Replacement Reserves are recommended for recurring major capital expenditures that are

reasonably predictable both in terms of frequency and cost. Typical examples of this are roofing, parking, appliances, etc., which have a predictable expected useful life and replacement cost. Replacement Reserves may also include components or systems that have an indeterminable life but nonetheless have a potential liability for failure within an estimated time period.

Determining whether some expenditure should be categorized as an operational and maintenance expense, capital reserve expenditure, or excluded altogether as a result of such costs being a tenant responsibility is sometimes subjective. Since such cost classifications may have a major impact on the allocation of funds for replacement reserve and therefore on Net Operating Income (NOI), efforts were made to minimize such subjective determinations. Such efforts consisted of reviewing historical replacement cost data, if provided by the owner/management and discussions with the property management pertaining to historical failure rates, replacement programs, tenant responsibilities and categorization of such items, etc.

Estimated costs presented in this report are from a combination of sources. The primary sources are from Means Repair and Remodeling Cost Data and Means Facilities Maintenance and Repair Cost Data, as well as AEC's past experience with construction projects. When appropriate AEC solicited and obtained local subcontractors' pricing, or utilized historical cost data provided by the property manager. Replacement and Repair Cost estimates are based on approximate quantities. Information furnished by site personnel or the Site management, if presented, is assumed by AEC to be reliable. A detailed inventory of quantities for cost estimating is not a part of the scope of this report.

## **2.6 Document Review and Interviews**

AEC was provided with the following documents for review:

- Property Condition Assessment prepared by AEI Consultants, November 2014
- Scenario Expected Loss Assessment prepared by AEI Consultants, November 2014
- Preliminary Report prepared by Stevenson Systems, Inc., April 2015

The following people or organizations were interviewed by AEC staff during the Site visit or report preparation:

- Mr. Rick Polischuk, Building Representative: 619-417-6122
- Ms. Karen Bucey, Associate Planner, City of San Diego Planning Department: 619-533-6404
- City of San Diego Fire Department, Fire Prevention Bureau, Administration (Fire Marshal's Office): 619-533-4300

Sources of the following site data:

- Net Rentable Area (NRA): Client provided
- Number of parking spaces: Client provided
- Acreage: San Diego County Assessor's Office
- Date of Construction: San Diego County Assessor's Office

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## 3.0 SYSTEM DESCRIPTIONS AND OBSERVATION

### 3.1 Overall General Description

The Site is located on two parcels of land on the south side of Ash Street between 1<sup>st</sup> Avenue and 2<sup>nd</sup> Avenue and encompasses the entire block approximately four city blocks south of U.S. Interstate 5 in the City of San Diego, San Diego County, California. The Site is a reported 1.19-acre in size and is developed with one, 21-story steel-framed building. According to information received from the San Diego Assessor's office, the building was constructed in 1967. The building and the parking structure have a gross area of approximately 447,732 square feet. In addition, the building is improved with a steel and concrete parking structure located below the building with entrances and exits located on the west and east sides on 1<sup>st</sup> and 2<sup>nd</sup> Avenue. The building is supported by a poured-in-place concrete slab construction over a prepared base at the bottom parking level with concrete piers supporting each of the interior columns and along the exterior walls. It is not known if the piers are tied together with concrete grade beams. The first two floors of the building are steel and concrete with steel framing used from the third floor to the roof. Intermediate floors and ceilings are concrete with steel and concrete columns supporting each additional floor.

The roof is flat with and topped with hot-mop and rock ballast. Some of the HVAC equipment is located on the roof; the remaining is located one floor below in a mechanical room. Pedestrians enter the building from raised concrete entry patios entered through revolving or swinging doors. Service doors are steel in steel frames. Windows are single-glazed, fixed in anodized aluminum frames. The building's exterior is a combination of concrete and travertine tile.

Access to the patios is from concrete steps that are connected to the public sidewalks which surround the building on all sides. The first entry floor is used as a grand lobby. Eight traction elevators are available, seven are used for passengers, the remaining used for freight.

A large percentage of the building is vacant with only one floor and a small portion of another occupied. The remaining floors have not been demised pending the future occupancy by prospective tenants. The Site appears to be in good condition with evidence of proactive maintenance observed.

Vehicle entrances to the Site are provided by two curb cuts; one on the east off 1<sup>st</sup> Avenue, the other on the west off 2<sup>nd</sup> Avenue. Parking is provided for a reported 240 vehicles on striped, concrete spaces below the building. Many of the spaces are tandem. There are seven ADA designated spaces. The building's footprint occupies virtually the entire city block with landscaping consisting of raised concrete planters and pots located on the patios.

Heating and cooling is provided by a central plant that consists of roof-mounted, chillers and cooling towers with air handlers. An electric water heater with a recirculating pump provides domestic hot water to the entire building. Building management is responsible for the maintenance and replacement of the heating and cooling system and the water heater. Fire sprinklers protect the entire building and fire extinguishers are located throughout.

San Diego Gas and Electric supplies electricity to the Site. Electrical service to all Sites is 120/208 V, 3-phase, 4-wire and 477/280 V with a maximum continuous current rating of 500 amperes provided at each of the electric cabinets. All electrical wire was observed to be copper. San Diego Gas and Electric provides natural gas. The City of San Diego provides water and sewer services. Republic Services provides trash removal.

## 3.2 Site/Site Improvements

### 3.2.1 Topography

The Site vicinity slopes gently toward the south.

Observations/Comments:

No observed or reported deficiencies were noted.

### 3.2.2 Storm Water Drainage

Description:

Stormwater drains from the roof surfaces into on-Site catch basins connected to the municipal drainage system. Surface water flows from the exposed portions of the concrete-paved areas as sheet flow to the adjacent streets. Stormwater in the below-grade garage areas flows toward drains with sump pumps used to direct the water to the municipal storm water system.

Observations/Comments:

No observed or reported deficiencies were noted.

### 3.2.3 Paving Type/Age

Description:

The building is constructed above a two level subterranean parking structure. The parking structure surfaces are constructed of cast-in-place concrete slabs and decks that are supported by concrete columns and concrete perimeter walls.

Observations/Comments:

The concrete surfaces are in good condition with no significant cracks or surface deterioration (spalling) observed. No observed or reported deficiencies were noted. Funding has been allocated in the capital reserves table for on-going concrete maintenance.

### 3.2.4 Curbing/Wheel Stops

Description:

Wheel stops are used throughout the parking area.

Observations/Comments:

No observed or reported deficiencies were noted.

### 3.2.5 Pavement Striping

Description:

Pavement striping delineates the individual parking spaces.

Observations/Comments:

The striping appears to have been recently applied and is in good condition. AEC recommends that the striping be periodically applied during the term and has allocated funding in the capital reserves table. No additional observed or reported deficiencies were noted.

### 3.2.6 Traffic Pattern Signage

Description:

Traffic pattern signage (stencils) were not observed at the entry and exits to the below-grade parking structure.

Observations/Comments:

No observed or reported deficiencies were noted.

### 3.2.7 Parking

Description:

Vehicle entrances to the Site are provided by two curb cuts; one on the east off 1<sup>st</sup> Avenue, the other on the west off 2<sup>nd</sup> Avenue directly into the parking structure. Parking is provided for a reported 240 vehicles on striped, concrete spaces below the building. Many of the spaces are tandem. Seven of the spaces are reserved as ADA designated.

Observations/Comments:

Parking was observed to be adequate. No further action is required.

### 3.2.8 Flatwork/Stairs/Railing

Description:

Poured-in-place concrete sidewalks are provided at the entry sides of the building. Metal handrails are used at the exterior stairways.

Observations/Comments:

No observed or reported deficiencies were noted.

### 3.2.9 Landscaping and Appurtenances

Description:

The building's footprint occupies virtually the entire Site. Therefore, landscaping is limited to trees, shrubs, and plants inserted in planters and tubs at the entry sidewalks.

Observations/Comments:

No observed or reported deficiencies were noted. Routine maintenance will be required over the term.

### 3.2.10 Utilities

**Description:**

All necessary utilities are installed and available to the Site and appear to be adequate for the needs of the Site.

UTILITY	PROVIDER	ISSUE/ADEQUACY
Electric	San Diego gas & Electric	Adequate
Natural Gas	San Diego Gas & Electric	Adequate
Water	City of San Diego	Adequate
Sanitary Sewer	City of San Diego	Adequate
Storm Sewer	City of San Diego	Adequate
Trash	Republic Services	Adequate

**Observations/Comments:**

No observed or reported deficiencies were noted.

### 3.2.11 Site Lighting

**Description:**

Building-mounted and pole-mounted high intensity area light fixtures and pole-mounted lighting fixtures in the parking area are provided. Photo electric cells or electric timers control the operation of the exterior lighting.

**Observations/Comments:**

Although the Site was observed during daylight hours, the parking area was illuminated with the number and spacing of the lighting appearing to supply adequate lighting for the open areas. No observed or reported deficiencies were noted.

### 3.2.12 Waste Storage Area

**Description:**

Trash for the Site is disposed in CMU enclosures at the below grade parking area.

**Observations/Comments:**

No observed or reported deficiencies were noted.

### 3.2.13 Site and Building Signage

**Description:**

Signage is limited to directory signs installed in the lobby. It should be noted that the building is virtually vacant and plans for future signage cannot be determined.

Observations/Comments:

The maintenance of the lobby signage is the responsibility of the landlord. No observed or reported deficiencies were noted.

### 3.2.14 Other Site Amenities/Recreational Facilities

Description:

Recreational facilities consist of a fitness center located in the upper level of the parking garage adjacent to one of the vehicle entrances. The fitness room is finished with rubberized flooring and is equipped with treadmills, stair-stepping machines, weight machines and free weights.

Observations/Comments:

The room and equipment was observed to be in good condition. Routine maintenance will be required over the term. Equipment replacement is considered to be normal maintenance.

## 3.3 Structural Frame and Building Envelope

### 3.3.1 Substructure

Description:

Working drawings were not available for review. However, foundation systems for this type of building typically consist of concrete piers (caissons) below the concrete slab and exterior walls. The two-level parking structure is constructed of cast-in-place concrete supported by concrete columns and perimeter walls.

Observations/Comments:

Foundation and footing construction could not be verified while on-Site due to concealed construction and conditions. Observations of the exterior walls revealed no apparent signs of cracking or movement other than normal expansion that would indicate excessive settlement or an improperly installed foundation system. No observed or reported deficiencies were noted.

### 3.3.2 Superstructure

Description:

The buildings are constructed of steel framing with corrugated intermediate decks topped with concrete. The roof is poured-in-place over steel framing. The roof is constructed as a panelized roof supported by glu-laminated beams with plywood sheathing.

Observations/Comments:

While observation of the ground floor slabs, superstructure and roof framing was limited to exposed elements, no signs of excessive deflection or movement were noted. All of the flooring observed appeared level and stable and walls and structural elements appeared to be plumb and/or level. Based upon these observations, the structure of the buildings was assumed to be in good condition. No evidence of structural failure or deficiencies was noted.

### 3.3.3 Parking Garage

#### Description:

A two-level parking garage is constructed of poured-in-place concrete and is located beneath the building. Access to the garage is from public streets on the east and west sides. The parking garage has a reported capacity of 240 vehicles with a large percentage of the spaces designed in a tandem fashion. Seven of the spaces are designated as ADA reserved.

#### Observations/Comments:

The parking garage is in good condition with no deficiencies observed or noted.

### 3.3.4 Facades or Curtainwall

#### 3.3.4.1 Sidewall System (Building Envelope)

##### Description:

The building's exteriors consist of a combination of painted concrete fluted columns with travertine tiles used at the first two levels. Windows are metal-framed, single-glazed with tinted glazing. The building uses a combination of revolving doors and metal-framed glass swing doors at the main entrances to the lobby. Steel doors are used at service areas.

##### Observations/Comments:

The exterior of the building is in good condition. Dirt from water drainage has stained portions of the lower areas of the building and require cleaning. Funding has been allocated for the cleaning of the affected areas of the building. Cleaning, caulking, and painting of the exterior will be required during the term with funding allocated in the capital reserves table.

#### 3.3.4.2 Windows

##### Description:

Windows are metal-framed, single-glazed with tinted glazing.

##### Observations/Comments:

No observed or reported deficiencies were noted.

#### 3.3.4.3 Balconies, Elevated Walkways, and Exterior Stairs

##### Description:

There are no on-Site balconies, elevated walkways, or exterior stairs.

##### Observations/Comments:

No observed or reported deficiencies were noted.

#### 3.3.4.4 Doors/Frames

##### Description:

The building uses a combination of revolving doors and metal-framed glass swing doors at the main entrances to the lobby. Steel doors are used at service areas.

##### Observations/Comments:

No observed or reported deficiencies were noted.

#### 3.3.5 Roofing

##### 3.3.5.1 Roof Types

##### Description:

Roofs are flat and finished with a hot-mop finish and rock ballast. Parapets surround the roof on all sides. Glass-cleaning equipment is mounted on the roof to provide a frame for window cleaning. All flashing was observed to be in good condition.

##### Observations/Comments:

The roof appears to be in good condition with no reported or observed leaks. Management indicated they believe the roof has a remaining useful life of approximately 10-12 years. This appears to be a reasonable assumption based on a cursory visual inspection of the roof. Funding has been allocated for roof maintenance late in the term.

##### 3.3.5.2 Active Leaks

##### Description:

No active leaks were observed or reported.

##### Observations/Comments:

The Site contact indicated that he is not aware of any active roof leaks. Tenants did not report roof leaks. AEC did not observe evidence of additional roof leaks. No further action is required at this time.

##### 3.3.5.3 Roof Drainage

##### Description:

The roofs are drained to internal roof drains that direct water to drain to grade and the municipal drainage system.

##### Observations/Comments:

Roof drainage appeared to be adequate.

#### 3.3.5.4 Warranty

Comments:

AEC was not supplied with roof warranty information.

#### 3.3.5.5 Ancillary roof(s)

Description:

There are no ancillary roofs.

Observations/Comments:

This section is not applicable.

#### 3.3.5.6 General Condition

Description:

The roof is in good condition.

Observations/Comments:

Roof maintenance late in the term is anticipated.

### 3.4 Mechanical, Electrical & Plumbing

#### 3.4.1 HVAC Systems

Description:

Heating and cooling is provided by three centrifugal water cooled chillers with cooling towers and fan coil units throughout. The chillers are located on the 20<sup>th</sup> floor. Two are manufactured by Carrier and have been rebuilt; the third is manufactured by Trane and was installed in 2015. The cooling tower is located on the 21 floor and was installed in 2005-2006. All systems are reportedly providing adequate heating and cooling to the building.

Observations/Comments:

The heating and cooling systems are reported to be in good condition and provide adequate heating and cooling according to the Site Contact. All systems are reportedly maintained by in-house staff calling on outside contractors as required. Although all systems are in relatively new condition, AEC has allocated funding in the capital reserves table for annual maintenance throughout the term.

#### 3.4.2 Electrical Systems

Description:

San Diego Gas and Electric supplies electricity to the Site through underground transformers. Electrical service to all Sites is both 120/208 volt, 3-phase, 4-wire and 480/277 service with 500 amperes of power supplied at the each of the electric cabinets. All electrical wire was observed to be copper. Labeled circuit breakers provided

protection from electrical overload and ground fault circuit interrupters (GFCIs) were observed in wet locations. Backup diesel generators provide emergency power.

Observations/Comments:

No observed or reported deficiencies were noted.

### 3.4.3 Plumbing Systems

#### 3.4.3.1 Piping Systems

Description:

As-built plumbing plans of the Site were unavailable for review to determine the below ground components; thus, AEC was unable to physically identify all types of piping used throughout the Site. However, according to observations, supply piping is copper and waste and vent piping is cast iron.

Observations/Comments:

No observed or reported deficiencies were noted.

#### 3.4.3.2 Domestic Hot Water

Description:

Domestic hot water is provided by 30-gallon electric hot water heaters which serve the restrooms. Installation, maintenance, repairs, and replacement are the responsibility of the tenant.

Observations/Comments:

Due to the limited amount of water heaters located on-Site, they are replaced as part of the normal maintenance. Therefore, no funding for repairs or replacement has been allocated in the capital reserves tables.

## 3.5 Vertical Transportation/Conveyor Systems

### 3.5.1 Elevators

Description:

Vertical transportation is provided by a total of eight traction elevators with the elevator located in an equipment room at the top floor. One of the elevators is designated for freight use. All passenger elevators have a carrying capacity of 3,500 pounds; the capacity of the freight elevator is 7,000 pounds. The elevators are manufactured by Houghton with recently refurbished Otis controllers. The cab is fitted with conventional equipment such as tactile and Braille identification at the control buttons and jams, with audible and visual hall arrival signals, visual floor displays, emergency call buttons and doors with mechanical and electronic recall mechanisms to prevent closure on passengers and other obstructions.

Observations/Comments:

The elevators have been recently refurbished and appear to be in good condition and adequate to the requirements of the building. The elevators are regularly serviced by a licensed elevator company and have operating permits issued by both the City of San Diego and the State of California that expire December 15, 2016. No deficiencies were observed or reported.

3.5.2 Escalators

Description:

There are no escalators on Site.

Observations/Comments:

This section is not applicable.

**3.6 Fire/Life Safety**

3.6.1 Fire Sprinklers

Description:

Fire protection consists of a wet-pipe sprinkler system with standpipes hose valves, portable fire extinguishers, smoke detectors, pull stations and local alarms. Public areas are equipped with battery back-up exit lights and exit signs. The sprinkler risers are located in a dedicated room with diesel fueled fire pumps.

Observations/Comments:

All fire equipment is serviced on a yearly basis and appears to be in good condition.

3.6.2 Life Safety/Alarm Systems

Description:

Fire extinguishers were observed throughout the Sites. The fire extinguishers are inspected monthly and were last inspected in January 2016 by Cintas.

Observations/Comments:

No observed or reported deficiencies were noted.

**3.7 Interior Elements**

3.7.1 Viewed Spaces

Description:

AEC observed a minimum of 10% of the unit interior spaces. The 19<sup>th</sup> floor is occupied and the 18<sup>th</sup> floor is partially occupied. All other floors are unoccupied and similar.

### 3.7.2 Common Areas

Description:

These areas consist of common area corridors and public restrooms. In addition, the parking structure, lobby, and fitness room may be considered common areas.

Observations/Comments:

No observed or reported deficiencies were noted.

### 3.7.3 Site Tenants

Description:

The Site is a recently-vacated office. A rent roll was not provided.

### 3.7.4 Tenant Spaces

ITEM	CONDITION	DESCRIPTION
Ceilings	<b>Good</b>	Ceilings are painted gypsum wallboard or drop-down panels. Painting is completed as needed as part of the normal maintenance.
Floors	<b>Good</b>	Carpet, ceramic tile or vinyl tile.
Walls	<b>Good</b>	Painted gypsum wallboard is typical and painted as required as part of the normal maintenance and generally the responsibility of the tenant.
Doors	<b>Good</b>	Doors are typically solid core
Toilet Facilities	<b>Excellent</b>	Restrooms are located in the rear of most of the larger tenant spaces and generally have ceramic tile or vinyl floors, gypsum wallboard ceilings and walls and/or ceramic tile wainscots

Observations/Comments:

The building was originally constructed in 1967. Interior maintenance and tenant improvements are generally completed by the building owner through tenant-provided work order. No observed or reported deficiencies were noted.

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## 4.0 “BARRIER-FREE” ACCESSIBILITY (ADA)

### 4.1 Background

Title III of the Americans with Disability Act (ADA) has a provision for “places of public accommodation.” In reference to this Site, the provision requires the entrance, public areas and corridors to comply with the ADA requirements.

Any “place of public accommodation”, which is designed and constructed for first occupancy after January 26, 1992 is required to be compliant with ADA requirements.

Subpart C also requires an owner and/or tenant of a public accommodation, regardless of its age, to remove architectural barriers in existing facilities, including communication barriers that are structural in nature, where such removal is readily achievable, i.e. easily accomplishable and able to be carried out without much difficulty or expense. The lease or other contract may determine allocation of tenant/owner responsibility.

Steps to comply with these ADA requirements will vary depending on the situation.

“Readily achievable” is relative to the owner and/or tenant’s ability to accomplish it without undue burden. Factors to consider include the overall financial resources of the Site or Sites; the overall size of the parent organization; and the nature and cost of the remedial action.

The ADA requires that any alteration to the Site after January 26, 1992 be made to the maximum extent feasible to ensure facility access and usability by a disabled person. “Alteration” includes remodeling, rehabilitation, reconstruction, and changes in structural elements or walls. Normal maintenance, re-roofing painting or wall papering, asbestos removal, or changes to mechanical or electrical systems are not alterations unless they change the usability of the facility.

### 4.2 Considerations

These facilities were constructed in 1967 which is prior to the implementation of the ADA guidelines. Our survey of the Site did not constitute an ADA audit. The Site appears generally accessible. Of note, it is possible that future renovations, fit-outs, or alteration of the Site may require additional proportional compliance with ADA requirements. This determination should be made by the local governing authority when permit acquisition for renovation is made.

It is also important to note that the ADA was enacted as a guideline for designing new buildings and was not necessarily intended to serve as a regulation for existing buildings. Therefore, implementation of certain upgrades may not necessarily be mandated due to “grandfather clauses” and/or “undue hardships” involved in satisfying ADA standards. Upgrades and/or retrofits would most likely be required only in the event of significant site remodeling, reconstruction or use/occupancy reclassification. The extent of any upgrade requirements would be subject to interpretation by any number of city, state or federal agencies.

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## 5.0 QUALIFICATIONS

### 5.1 Limiting Conditions

The recommendations submitted for the subject project are based on available information and details furnished by the Property Manager/Site Contact and interviews with the tenants and municipal authorities. The observations and recommendations presented in this report are time dependent, and conditions will change. The findings in this report are not based on a comprehensive engineering study. During the Site visit, AEC did not perform any destructive tests or operate any specific equipment.

AEC warrants that these findings have been promulgated after being prepared in accordance with generally accepted practice of the construction industry. No other warranties are expressed or implied. Our observations and resulting report are not intended to warrant or guarantee the performance of any building components or systems.

The representations regarding the status of ADA Title III compliance were based on visual observation and without any physical measurement and, thus are only intended to be a good faith effort to assist the client by noting non-conforming conditions along with estimates of costs to correct and are not to be considered to be based on an in-depth study.

### 5.2 Consultant's Certification

On behalf of Advantage Environmental Consultants, LLC, the undersigned hereby certifies that:

The report was prepared in a manner consistent with generally accepted industry practices and standards. AEC, or the individuals working on this assignment, are not affiliated with the property owners, its affiliates or representatives.

All information is true and correct, to the best of the undersigned's knowledge, and reflects the consultant's best professional opinion and judgment.

### ADVANTAGE ENVIRONMENTAL CONSULTANTS, LLC



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George Pallo  
Senior Project Manager



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Daniel Weis  
Branch Manager  
Western Regional Office

## **PHOTOGRAPHS**



## **SUPPORTING DOCUMENTATION**



**TABLE A**  
**IMMEDIATE REPAIRS COST ESTIMATE**



**TABLE B**  
**RESERVE SCHEDULE**

